Saskatchewan
Finance

Annual Report - Five Month Period Ending September 1, 2002

The Members of The Legislative Assembly Superannuation Plan

TABLE OF CONTENTS

Letter of Transmittal 2

Background 3

Operation of the Plan 3

Contributions 3

Pensions 3

Investment of Funds 3

Cash Flow Forecast 4

Administration 4

Management's Report 5

Financial Statements

- Auditor's Report 8
- Statement of Net Assets Available for Benefits, Accrued Pension Benefits and Unfunded Liability 9
- Statement of Changes in Net Assets Available for Benefits 10
- Statement of Changes in Accrued Pension Benefits 11
- Notes to the Financial Statements 12
- Schedule of Investment Transactions 19

Saskatchewan
Finance

Her Honour, The Honourable Dr. Lynda M. Haverstock
Lieutenant Governor of the Province of Saskatchewan
Government House
4607 Dewdney Avenue
Regina, Saskatchewan
S4P 3V7

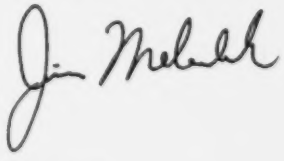
Dear Madam:

Letter of Transmittal

I have the honour to transmit herewith the Annual Report of the Members of the Legislative Assembly Superannuation Plan for the five month period ending September 1, 2002.

I have the honour to be, Madam,

Your obedient servant,



Jim Melenchuk
Minister of Finance

BACKGROUND

The Members of the Legislative Assembly Superannuation Plan was created to provide a pension to individuals who are elected and provide service to the Province of Saskatchewan as Members of the Legislative Assembly.

The Plan is comprised of two pension plans: a Defined Benefit (formula) Plan for members who were first elected prior to April 1, 1979, and a Defined Contribution Plan for those members first elected on or after April 1, 1979.

Members of the Defined Benefit Plan may elect to transfer to the Defined Contribution Plan at any time prior to the expiration of the thirtieth day after the last return of the writ of election in the general election following the date on which they ceased to be members.

On July 3, 2002, the Legislative Assembly passed *The Members of the Legislative Assembly Benefits Act (*Act) to disestablish the Members of the Legislative Assembly Superannuation Plan effective September 1, 2002. In summary, under the Act members of the defined contribution component will become members of the Public Employees Pension Plan and annuitants will continue to receive their annuities from the Saskatchewan Pension Annuity Fund. Also, pensions to retired members of the defined benefit component will continue to be paid by the General Revenue Fund.

OPERATION OF THE PLAN

The Plan is credited with contributions and interest paid by members and former members, interest earned and any other revenue accruing from the investment of monies in the Plan, and such amounts paid by the Minister of Finance as may be required to make it possible at all times to pay the allowances granted pursuant to *The Members of the Legislative Assembly Superannuation Act*. Payments are made out of the Plan for pensions, annuities, supplementary allowances and refunds of contributions. As a matter of course, the acquisition and disposition of the various assets of the Plan results in the payment of monies out of and receipt of monies into the Plan.

CONTRIBUTIONS

Members are required to contribute 9% of their indemnity and expense allowance to the Plan. As well, members with additional responsibilities contribute 9% of their additional allowance. The General Revenue Fund matches the members' contributions and is required by the Act to make certain additional contributions to the Plan.

Contributions by members for the period ended September 1, 2002 totalled $170,544. Also remaining at September 1, 2002, there were 57 contributors to the Defined Contribution Plan.

PENSIONS

The Plan paid pensions to 115 former members and spouses of former members throughout the period. Pensions under the Defined Benefit Plan were based on a formula which included years of service and an average salary figure for some portion of that service. Pensions under the Defined Contribution Plan were provided in the form of a life annuity purchased with the amount standing to the member's credit in the Plan at retirement. Pensions may also have included a supplementary allowance paid in accordance with the Act. Pensions for the period totalled $1,037,104.

INVESTMENT OF FUNDS

The Minister of Finance is responsible for holding in trust and investing the monies in the Plan. The Minister has retained Greystone Capital Management Inc. to be the investment manager.

The investment manager makes the day-to-day decision of whether to buy or sell specific investments in order to achieve the long term investment performance objectives set by the Minister. It is these long term investment performance objectives that are used to assess the performance of the investment manager.

The primary long term investment performance objective for the entire portfolio is to outperform a benchmark portfolio constructed as follows:

Asset Class	Market Index	Weight
Canadian Equities	Toronto Stock Exchange CPMS 300 Cap 10	22%
US Equities	Standard & Poors 500 US Stock Index	14%
Non-N American Equities	EAFE	14%
Bonds	Scotia Capital Markets Universe Bond Index	45%
Short Term Inv.	91 Day Canadian Treasury Bills	5%
Total:		100%

On behalf of the Minister, the Public Employees Benefits Agency reviews the investment performance of the Plan in terms of the performance of the benchmark portfolio over rolling four year periods. For the four years ending March 31, 2002 the Plan had an annualized gross rate of return of 6.4%. The investment objective (the return of the benchmark portfolio) was 4.4%.

The Public Employees Benefits Agency engages the services of an asset consultant to provide advice on the overall management of the Plan's investments and on the measurement of the Plan's performance. James P. Marshall, Inc. provides this service.

CASH FLOW FORECAST

The total cash inflow is the amount of contributions and investment income expected to be received by the pension plan. The total cash outflows is the amount required to pay all pension obligations. Forecast of cash inflows and outflows have been determined using the following long term assumptions:

Interest rate	6.30%
Inflation	3.00%
Ad hoc increases	100% of CPI

The cash required is the amount by which the cash outflows exceed cash inflows and is forecast to the year 2026.

Year	Cash Inflows (000's)	Cash Outflows (000's)	Cash Required (000's)
2002	-	2,304	2,304
2003	-	2,298	2,298
2004	-	2,288	2,288
2005	-	2,262	2,262
2006	-	2,232	2,232
Total within 5 years		11,384	11,384
Total 5-10 years		10,560	10,560
Total 11-25 years		22,523	22,523

ADMINISTRATION

Expenses of administering the Members of the Legislative Assembly Superannuation Plan are charged to the Plan.

Administration of the plan is presently assigned to the Public Employees Benefits Agency of the Department of Finance.

MANAGEMENT'S REPORT

To the Members of the Legislative Assembly of Saskatchewan

Administration of the Plan is presently assigned to the Public Employees Benefits Agency of the Department of Finance. Management is responsible for financial administration, administration of the funds and managing of assets.

The financial statements which follow have been prepared by management in conformity with accounting principles generally accepted in Canada. Management uses internal controls and exercises its best judgement in order that the financial statements reflect fairly the financial position of the Plan.

The present value of annuities and accrued pension benefits is determined by an actuarial valuation. Actuarial valuation reports require best estimate assumptions about future events which require approval by management.

The financial statements have been examined by the Provincial Auditor whose report follows.

Brian Smith
Executive Director
Public Employees Benefits Agency

Ann Mackrill
Director, Pension Programs
Public Employees Benefits Agency

Regina, Saskatchewan
October 23, 2002

THE MEMBERS OF THE LEGISLATIVE ASSEMBLY SUPERANNUATION PLAN

FINANCIAL STATEMENTS

FIVE MONTH PERIOD ENDING SEPTEMBER 1, 2002

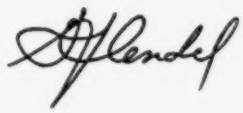
AUDITOR'S REPORT

To the Members of the Legislative Assembly of Saskatchewan

I have audited the statement of net assets available for benefits, accrued pension benefits and unfunded liability of the Members of the Legislative Assembly Superannuation Plan as at September 1, 2002 and the statement of changes in net assets available for benefits and changes in accrued pension benefits for the period April 1, 2002 to September 1, 2002. The Plan's management is responsible for preparing these financial statements for Treasury Board's approval. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the net assets available for benefits, accrued pension benefits and unfunded liability of the Plan as at September 1, 2002 and the changes in the net assets available for benefits and changes in accrued pension benefits for the period April 1, 2002 to September 1, 2002 in accordance with Canadian generally accepted accounting principles.



Regina, Saskatchewan
October 23, 2002

Fred Wendel, CMA, CA
Provincial Auditor

STATEMENT 1

THE MEMBERS OF THE LEGISLATIVE ASSEMBLY SUPERANNUATION PLAN STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS, ACCRUED PENSION BENEFITS AND UNFUNDED LIABILITY

AS AT SEPTEMBER 1, 2002 and MARCH 31, 2002

	Defined Benefits	Defined Contributions	Annuities	September 1 Total	March 31 Total
ASSETS					
Investments: (Note 3 & Schedule 1)					
Pooled funds	$ -	$18,492,886	$1,780,363	$20,273,249	$21,480,179
Receivables:					
Members' contributions	-	33,979	-	33,979	34,367
Minister of Finance contributions	-	63,028	-	63,028	94,490
Other	2,960	-	-	2,960	3,216
General Revenue Fund (Note 13)	-	-	251,618	251,618	-
	2,960	97,007	251,618	351,585	132,073
Due from General Revenue Fund (Note 10)	-	3,894	415	4,309	102,651
Total assets	2,960	18,593,787	2,032,396	20,629,143	21,714,903
LIABILITIES					
Accumulated provision for annuities payable (Note 7)	-	-	2,029,200	2,029,200	1,930,000
Accounts payable	2,960	29,988	3,196	36,144	10,534
Due to Public Employees Pension Plan (Note 13)	-	16,995,247	-	16,995,247	-
Due to General Revenue Fund (Note 13)	-	1,568,552	-	1,568,552	-
Total liabilities	2,960	18,593,787	2,032,396	20,629,143	1,940,534
NET ASSETS AVAILABLE FOR BENEFITS (Statement 2)	-	-	-	-	19,774,369
Accrued pension benefits (Statement 3)	-	-	-	-	46,484,957
Unfunded liability (surplus)	$ -	$ -	$ -	$ -	$26,710,588

(See accompanying notes to the financial statements)

STATEMENT 2

THE MEMBERS OF THE LEGISLATIVE ASSEMBLY SUPERANNUATION PLAN
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

FOR THE FIVE MONTH PERIOD ENDED SEPTEMBER 1, 2002 AND THE YEAR ENDED MARCH 31, 2002

	Defined Benefits	Defined Contributions	Annuities	September 1 Total	March 31 Total
INCREASE IN ASSETS					
Investment income:					
Pooled funds	$ -	$ 8,506	$ 906	$ 9,412	$ 711,036
Interest	-	1,174	125	1,299	153,754
Dividends	-	-	-	-	19,880
	-	9,680	1,031	10,711	884,670
Current period change in market values of investments	-	(978,602)	(104,282)	(1,082,884)	46,397
Contributions:					
Members	-	170,544	-	170,544	438,063
Minister of Finance - General Revenue Fund	1,002,506	184,521	-	1,187,027	2,857,788
	1,002,506	355,065	-	1,357,571	3,295,851
Transfer from General Revenue Fund (Note 13)	-	-	251,618	251,618	-
Total increase in assets	1,002,506	(613,857)	148,367	537,016	4,226,918
DECREASE IN ASSETS					
Annual allowances and annuities	964,581	-	72,523	1,037,104	2,490,822
Administration expenses (Note 9)	37,925	7,097	756	45,778	73,082
Change in provision for annuities payable (Note 7)	-	-	99,200	99,200	37,000
Transfers out	-	565,504	-	565,504	1,813,718
Transfer to Public Employees Pension Plan (Note 13)	-	16,995,247	-	16,995,247	-
Transfer to General Revenue Fund (Note 13)	-	1,568,552	-	1,568,552	-
Total decrease in assets	1,002,506	19,136,400	172,479	20,311,385	4,414,622
Decrease in net assets	-	(19,750,257)	(24,112)	(19,774,369)	(187,704)
NET ASSETS AVAILABLE FOR BENEFITS, BEGINNING OF PERIOD	-	19,750,257	24,112	19,774,369	19,962,073
NET ASSETS AVAILABLE FOR BENEFITS, END OF PERIOD - to Statement 1	$ -	$ -	$ -	$ -	$19,774,369

(See accompanying notes to the financial statements)

STATEMENT 3

THE MEMBERS OF THE LEGISLATIVE ASSEMBLY SUPERANNUATION PLAN
STATEMENT OF CHANGES IN ACCRUED PENSION BENEFITS

FOR THE FIVE MONTH PERIOD ENDED SEPTEMBER 1, 2002
AND THE YEAR ENDED MARCH 31, 2002

	Defined Benefits	
	September 1	March 31
	(Note 6)	
ACCRUED PENSION BENEFITS, beginning of period	$26,734,700	$26,910,700
INCREASE IN ACCRUED PENSION BENEFITS		
Interest on accrued benefits	703 00	1,610,000
Change in actuarial assumptions	-	397,000
Experience loss	-	134,000
	703,300	2,141,000
DECREASE IN ACCRUED PENSION BENEFITS		
Benefits paid	965,500	2,317,000
Reduction due to suspension of pension	32,800	-
Experience gain	272,200	-
Change in actuarial assumptions	115,400	-
	1,385,900	2,317,000
ACCRUED PENSION BENEFITS, prior to transfer to General Revenue Fund	26,052,100	26,734,700
Transfer to General Revenue Fund (Note 13)	26,052,100	-
ACCRUED PENSION BENEFITS, end of period – to Statement 1	$ -	$26,734,700

(See accompanying notes to the financial statements)

THE MEMBERS OF THE LEGISLATIVE ASSEMBLY SUPERANNUATION PLAN
NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 1, 2002

1. Description of Plan

a) General

The Members of the Legislative Assembly Superannuation Plan (Plan) was established under *The Members of the Legislative Assembly Superannuation Act, 1979* (Act) to provide pensions to individuals who are elected as Members of the Legislative Assembly of the Province of Saskatchewan.

The Plan has a defined benefit component, a defined contribution component, and annuity underwriting activities.

The defined benefit component consists of members who were first elected to the Legislative Assembly prior to April 1, 1979 and who did not elect to join the defined contribution component. These members have their superannuation allowance determined by a formula. Members first elected on or after April 1, 1979 participate in the defined contribution component. Members of the defined contribution component may elect to purchase an annuity from the Plan at retirement. The annuity underwriting activities are accounted for separately within the Plan.

The Act also established the Members of the Legislative Assembly Superannuation Fund to accumulate all member contributions, investment earnings, and payments received from the General Revenue Fund.

Pensions, annuities, supplementary allowances, refunds and interest are paid out of the Fund.

The Minister of Finance is authorized to invest any part of the monies standing to the credit of the Plan in any securities authorized for investment pursuant to *The Pension Benefits Act, 1992*. Details of the Plan are contained in the Act.

b) Administration

The Minister of Finance is responsible for the Act. Day-to-day administration is provided by the Public Employees Benefits Agency.

c) Funding Policy

Members are required to contribute 9% of their indemnity and expense allowances to the Plan. As well, members with additional responsibilities contribute 9% of their additional allowance. The General Revenue Fund matches the members' contributions, and is required to make certain additional contributions to the Plan pursuant to the Act. As there are no assets associated with the defined benefit component, it is financed through contributions from the General Revenue Fund.

d) Retirement

Members may retire as early as age 50.

The annual allowance payable to members of the defined benefit component is one twenty-fifth of the member's average indemnity and expense allowances multiplied by the member's years of pensionable service. Members with additional responsibilities receive an additional allowance

of one thirty-fifth of the member's average additional allowance multiplied by the member's years of pensionable service. Both average indemnity and average additional allowance are determined with reference to the highest four consecutive years of indemnity or additional allowance. An annual allowance shall not exceed 70% of that member's average annual indemnity and average additional allowance.

Members participating in the defined contribution component may elect to purchase a life annuity provided by the amount standing to the member's credit in the Plan. The member may elect to purchase an annuity from the Saskatchewan Pension Annuity Fund or from a private company that sells annuities.

2. Significant Accounting Policies

These financial statements are prepared in accordance with Canadian generally accepted accounting principles. The following policies are considered significant.

a) Basis of Presentation

Assets of the Plan are commingled for investment purposes. The defined contribution component is segregated by separating the annuity activity from the accounts of members who have not yet purchased annuities. For reporting purposes, the assets and investment income are allocated between the defined contribution component and the annuity activity based on their proportionate market value of the investment portfolio.

b) Investments

Pooled funds are recorded based on the quoted market price of underlying investments, normally the current bid price.

The change in market value of investments during the year is reflected on the financial statements in the current period as a current period change in the market value of investments.

Fair value approximates market value of investments.

c) Foreign Currency Translation

Monetary items denominated in foreign currency are translated at the exchange rate in effect at year-end. Investments, revenue, and expenses are translated at the exchange rate in effect at the transaction date. Gains and losses arising on translation are included in the current period change in market value of investments.

d) Accumulated Provision for Annuities Payable

The accumulated provision for annuities payable represents the present value of the annuities underwritten by the plan and is determined pursuant to an actuarial valuation. Any change in the liability pursuant to the valuation is recognized as an increase or decrease in that year's statement of changes in net assets available for benefits.

3. Investments

The majority of the Plan's investments are in the defined contribution component. Members of this component of the Plan bear the investment risk. The investment policy is written with the defined contribution component foremost in mind even though the annuity component has some investments. The long-term goal of the defined contribution component is to achieve a minimum annualized rate of 3% above the Canadian consumer price index. The strategy employed to achieve

this long-term goal is to invest cash flows from contributions and investment returns into a balance of equity and fixed income pooled fund investments.

a) **Interest Rate Risk**

Interest rate risk refers to the adverse consequences of interest rate change on the Plan's cash flows, financial position and income. This risk arises from differences in the timing and amount of cash flows related to the Plan's assets and liabilities.

The value of the Plan's assets is affected by short-term changes in nominal interest rates and equity markets.

b) **Credit Risk**

Credit risk arises from the potential for issuers of securities to default on their contractual obligations to the Plan. The Plan limits the credit risk by dealing with issuers that are considered to be high quality. The credit ratings used to describe the securities below are based on the Dominion Bond Rating Service and/or the Standard & Poors Bond Rating Service and/or Moody's Bond Rating Service.

Pooled Funds

Foreign equities including foreign pooled funds are limited to 30% of the cost of the investment portfolio and are denominated in Canadian dollars. The Plan holds units in pooled funds which have no fixed interest rate and its returns are based on the success of the fund manager. The Plan's pooled funds are comprised of the following:

	Units Held		% of Total Units Outstanding		Market Value		Investment Income and Change in Market Value	
	Sept 1	Mar 31	Sept 1	Mar 31	Sept 1	Mar 31	Sept 1	Mar 31
	(000's)				(000's)		(000's)	
Greystone Fixed Income Fund	809	1019	5.7%	6.5%	$ 8,430	$ 9,957	$ 613	$373
Greystone Canadian Equity Fund	262	275	1.9%	2.1%	4,339	5,152	(593)	319
Greystone Emerging Markets Fund	-	29	-	0.3%	-	286	(2)	69
Greystone Non-North American Fund	-	205	-	0.3%	-	1,938	-	(189)
Greystone EAFE Plus Fund	276	-	0.2%	-	2,297	-	(455)	-
Greystone US Equity Fund	197	246	4.7%	5.0%	2,001	3,167	(647)	(61)
Greystone Money Market Fund	321	98	10.0%	4.3%	3,206	980	9	33
					$20,273	$21,480	$(1,075)	$544

4. Earnings Allocation to Members - Defined Contribution Component

Investment income plus the current year's allocation of the change in the market values of investments less administrative expenses is allocated annually to the individual members' account balances in accordance with the provisions of the governing legislation. To September 1, 2002, the earnings allocation rate was negative 4.96% (March 31, 2002 – 4.42%).

5. Statutory Reporting Requirements

The Plan has no contributors to the defined benefit component. The Plan's defined contribution component had 57 contributors remaining at September 1, 2002 (March 31, 2002 – 58). During the period 115, superannuates and spouses (March 31 -117) received allowances.

6. Obligations for Pension Benefits - Defined Benefit Component

The present value of accrued pension benefits was determined using the projected benefit method prorated on service and the best estimate assumptions approved by the Public Employees Benefits Agency. An actuarial valuation was performed as at September 1, 2002 and December 31, 2001 by AON Consulting Inc. and an extrapolation was made to March 31, 2002.

The significant long-term assumptions used in determining the actuarial value of accrued pension benefits are:

	Sept 1	Mar 31
Interest rate	6.30%	6.25%
Salary escalation rate	n/a	n/a
Inflation rate	3.00%	3.00%
Mortality table	UP 94	1983 GAM

The experience gain is mainly due to mortality experience.

Section 25.1 of the Act provides for a supplementary monthly allowance effective July 1 each year if persons in receipt of allowances under *The Superannuation (Supplementary Provisions) Act* are awarded additional supplementary allowances in the year. The increase is a dollar amount to each superannuate of the Members of the Legislative Assembly defined benefit component equal to one-sixth of the pensionable service of the member multiplied by the sum of their pensionable service and years in receipt of pension. The actuarial present value of accrued pension benefits contains a provision for these ad hoc increases which are subject to Lieutenant Governor in Council approval. The ad hoc assumption is 100% (2001 - 100%) of CPI based on previous years' experience.

The pension liability is based on a number of assumptions about future events including: interest rate, inflation rate, ad hoc indexing, and mortality. The actual rates may vary significantly from the long-term assumptions used.

The following illustrates the effect of changing certain assumptions from the assumed interest rate of 6.30% and inflation rate of 3.00%:

	Long-Term Assumptions			
	Interest		Inflation	
Assumptions	5.30%	7.30%	2.00%	4.00%
Liability increase (decrease)	9.40%	(8.00%)	(8.00%)	9.20%

The unfunded liability for the defined benefit component of the Plan is not payable immediately. The expected cash outflows to pay the required pension obligation are calculated using the above assumptions. The expected cash flows are not adjusted for inflation, they are based on actual dollar forecasts. The expected cash flows for the next five years would be $11.4 million, in the next 10 years $21.9 million, and in the next 25 years $44.5 million.

Paragraph 4(1)(c) of the Act states that if there are insufficient monies in the Fund to pay allowances or other payments, the Minister of Finance is obligated to pay any such deficiency out of the General Revenue Fund.

7. Accumulated Provision for Annuities Payable

The accumulated provision for annuities payable is the actuarial value of the future expected annuity benefit obligations to annuitants. An actuarial valuation was performed on the annuity activity as at September 1, 2002 and March 31, 2002 by AON Consulting Inc. The valuation represents the present value of the annuities underwritten by the Plan.

The interest rate assumption was based on a conversion rate of 5.5% (March 31, 2002 – 8.10%) per annum for the first 15 years of the annuity and 6% thereafter. The mortality rates used were 50% male and 50% female of the 1983 Group Annuity Mortality Table (March 31, 2002 – 80% of the 1983 Group Annuity Mortality Table).

The annual change in the annuity payable is reflected in the statement of changes in net assets available for benefits. The principal components of change during the year were as follows:

(in thousands of dollars)

	Sept 1	Mar 31
Accumulated provision for annuities payable, beginning of period	$1,930	$1,893
Interest on accrued benefits	65	163
Annuities paid	(72)	(179)
Experience loss (gain)	4	53
Change in actuarial assumptions	102	-
Accumulated provision for annuities payable, end of period	$2,029	$1,930

The annuity payable is based on assumptions about future events including interest and mortality rates. The actual rates may vary significantly from the assumptions used. It is reasonably possible, based on existing assumptions, that changes in future conditions in the near term could require a material change in the annuity payable. A 1% increase in the interest rate assumption decreases the liability by $147,800 and a 1% decrease in the interest rate increases the liability by $147,800.

8. Related Party Transactions

All Government of Saskatchewan agencies such as departments, corporations, boards and commissions are related since all are controlled by the Government. Also, the Plan is related to non-Crown enterprises that the Government jointly controls or significantly influences. These financial statements include transactions with these agencies and the Plan, a pension plan established by the Government of Saskatchewan. Related party transactions with the Plan are in the normal course of operations and are recorded at the agreed upon exchange amounts charged by these organizations.

Other transactions with related parties and amounts due to or from them are disclosed separately in these financial statements and notes.

9. Administration Expenses

The annual operating expenditures associated with the Plan's administration are paid to the Public Employees Benefits Agency Revolving Fund (PEBA) except for custodial fees and investment management fees which are paid directly. Custodial and investment management fees are based on market value of the Plan's portfolio.

	Sept 1		Mar 31	
	Budget	Actual	Budget	Actual
Administration cost – PEBA	$53,593	$32,400	$57,621	$33,450
Custodian fees - Royal Trust	-	-	-	8,682
Investment management fees - Greystone Capital Management Inc.	-	13,378	-	30,950
	$53,593	$45,778	$57,621	$73,082

10. Due from General Revenue Fund

The Plan's bank account has been included in the Consolidated Offset Bank Concentration (COBC) arrangement for the Government of Saskatchewan.

The Plan's earned interest totalled $1,299 (March 31 - $8,137) and is calculated and paid by the General Revenue Fund on a quarterly basis into the Plan's bank account using the Government's thirty-day borrowing rate and the Plan's average daily bank account balance. The Government's average thirty-day borrowing rate for the period ended September 1, 2002 is 2.42% (March 31, 2002 – 3.41%).

11. Investment Performance

The investment manager makes day-to-day decisions on whether to buy or sell investments in order to achieve the long-term performance objectives set by the Minister. The Public Employees Benefits Agency reviews the investment performance of the Plan in terms of the performance of the benchmark portfolio over four year rolling periods. The primary long-term investment performance objective for the entire portfolio is to outperform a benchmark portfolio.

The following is a summary of the Plan's investment performance:

	5 months ending Sept 1, 2002	Rolling Four Year Average Annual Return to Mar 31, 2002
Plan's actual rate of return (a)	-5.0%	6.4%
Target rate of return (b)	-6.0%	4.4%

(a) The annual returns are before deducting investment expenses.

(b) The Plan's target rate of return for its investment portfolio (return on the benchmark portfolio) has been determined using the actual returns of the market indexes such as the Toronto Stock Exchange CPMS 300 capped 10% Index, Standard and Poor's 500 Stock Index, Scotia Capital Markets Universe Bond Index, and the Morgan Stanley Capital International Europe, Australia, Far East Index.

12. Fair Value of Financial Assets and Financial Liabilities

The following financial instruments are interest and non-interest bearing and are due or payable within the next year. Due to this short-term maturity, the fair value of the following financial instruments approximates their carrying value:

a) Due from General Revenue Fund
b) Receivables
c) Accounts Payable

d) Due to Public Employees Pension Plan
e) Due to General Revenue Fund

For all investments, fair values are considered to be market value, as outlined in note 2.

The pension liability is long-term in nature and there is no market for settling these pension obligations. Therefore, determination of the fair value of the pension liability is not practicable.

The accumulated provision for annuities payable is long-term in nature. Therefore, determination of the fair value of the accumulated provision for annuities payable is not practicable.

13. Plan Disestablished

Effective September 1, 2002, *The Members of the Legislative Assembly Benefits Act* (Benefits Act) disestablished the Plan. The Benefits Act states that in the future defined contribution members will receive pension benefits for accumulated contributions less the contributions that exceeded the limits set by the *Income Tax Act* from the Public Employees Pension Plan, and the benefits for the amounts contributed in excess of the limits set by the *Income Tax Act* from the General Revenue Fund. Annuitants will continue to receive their annuity from the Saskatchewan Pension Annuity Fund. Also, pensions to retired members of the defined benefit component will continue to be paid by the General Revenue Fund. Accordingly, the assets and liabilities of all components as at September 1, 2002 have been transferred to the Public Employees Pension Plan, General Revenue Fund, and the Saskatchewan Pension Annuity Fund.

At September 1, 2002, the liabilities to pay future annuities exceeded the net assets available to pay future annuities by $251,618. Under the Benefits Act $251,618 would become a liability of the General Revenue Fund. Therefore, an accounts receivable from the General Revenue Fund has been recorded.

SCHEDULE 1

THE MEMBERS OF THE LEGISLATIVE ASSEMBLY SUPERANNUATION PLAN
SCHEDULE OF INVESTMENT TRANSACTIONS

FOR THE FIVE MONTH PERIOD ENDED SEPTEMBER 1

Investments at Market	Balance March 31, 2002	Acquisitions	Dispositions	Balance Before Change in Market Value	Market Value Change	Balance September 1, 2002
Pooled Funds:						
Greystone US Equity Fund	$ 3,167,441	$ 150,000	$ 669,229	$ 2,648,212	$ (647,194)	$ 2,001,018
Greystone-Emerging Markets Fund	286,332	-	284,773	1,559	(1,559)	-
Greystone-Non-North American Fund	1,937,557	-	1,938,008	(451)	451	-
Greystone Canadian Equities	5,152,176	400,000	620,000	4,932,176	(592,584)	4,339,592
Greystone Fixed Income	9,956,800	-	2,140,000	7,816,800	612,744	8,429,544
Greystone Money Market	979,873	2,459,412	233,458	3,205,827	(1)	3,205,826
Greystone EAFE Plus Fund	-	3,052,010	300,000	2,752,010	(454,741)	2,297,269
Total Pooled Funds	21,480,179	6,061,422	6,185,468	21,356,133	(1,082,884)	20,273,249
Total Investments	$21,480,179	$6,061,422	$6,185,468	$21,356,133	$ (1,082,884)	$20,273,249